



Recommendation for Action

File #: 20-3747, **Agenda Item #:** 28.

12/10/2020

Posting Language

Authorize negotiation and execution of one-year contracts with the Multi-Ethnic Chamber Alliance chambers of commerce, the Austin LGBT Chamber of Commerce, and the Austin Young Chamber to provide business development, economic development, and recruitment and retention services in an amount not to exceed \$901,029.

Lead Department

Economic Development.

Fiscal Note

Funding in the amount of \$901,029 is available in the Fiscal Year 2020-2021 Operating Budget of Economic Development Department.

Prior Council Action:

On January 23, 2020, Council authorized the negotiation and execution of a one-year contract with the Multi-Ethnic Chamber Alliance chambers of commerce and the Austin LGBT Chamber of Commerce.

For More Information:

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Additional Backup Information:

In 2017, Council passed a budget rider, "To provide recommendations on methods to equitably fund the Chambers including the Small Business Association (AIBA)." In response to the budget rider, the Economic Development Department (EDD) commissioned the Equitable Chamber Funding Final Report (Report) to provide recommendations on methods to equitably fund the local chambers of commerce. Accordingly, a funding model and methodology was developed after conducting stakeholder engagement, a chamber assessment, and national best practices research. The updated Report along with a memo providing a summary and presentation was forwarded to Council on November 23, 2020.

On March 8, 2018, Council adopted Strategic Direction 2023 (SD23) which led with a focus on racial equity. The City of Austin Equity Office definition of racial equity states:

Racial equity is the condition when race no longer predicts a person's quality of life outcomes in our community. The City of Austin recognizes that race is the primary determinant of social equity, and therefore we begin the journey toward social equity with this definition.

While Council provides additional direction to staff on how to reevaluate the equitable funding model while honoring the analysis and principles of the Report as well as the goal of SD23, staff recommends authorizing the negotiation and execution of a one year agreement with the local chambers of commerce. Staff recommends the contract amounts in the chart below that honors the equitable funding model as outlined in the Report for the Hispanic Chamber of Commerce and the Black Chamber of Commerce and keeping the

current contract amounts the same for the Asian Chamber of Commerce and the LGBT Chamber of Commerce. The current chamber contracts are set to expire in the first quarter of 2021.

Organization	December 10 Recommendation	Base Equitable Funding Amount	Current Contract Amount
Greater Austin Hispanic Chamber (GAHCC)	\$252,882	\$252,882	\$212,500
Greater Austin Black Chamber (GABCC)	\$230,797	\$230,797	\$171,000
Greater Austin Asian Chamber (GAACC)	\$202,500	\$155,440	\$202,500
Austin LGBT Chamber (ALGBTCC)	\$153,750	\$100,631	\$153,750
Austin Young Chamber (AYC)	\$61,100	\$61,100	\$61,100
Total	\$901,029	\$739,750	\$739,750

As a reminder, the initial draft Report was completed in September 2019. In January 2020, Council provided the chambers of commerce with one additional year of funding at their current level to serve as a transition year. Throughout this year, EDD and its consultant have been assisting the chambers of commerce to prepare for the transition to equitable funding by implementing various key recommendations including capacity building and budgeting.

Also, the Austin Independent Business Alliance (AIBA) is included in the Report based on Council’s direction in the budget rider. AIBA’s current contract expired August 31, 2020. However, EDD and AIBA have recently executed a 6-month contract in alignment with SD23 and the Report’s recommendations to help address social equity. While AIBA does represent small businesses, they are not the exclusive service provider to small business as the majority of the MECA chamber’s constituents are small businesses as well. EDD has allocated the remainder of AIBA’s funds to conduct a small business needs assessment with a focus on social equity and economically disadvantaged populations.

Strategic Outcome(s):

Economic Opportunity and Affordability.